



# Reemployment as an Independent Contractor or Leased Employee with a Participating Employer

## Within twelve (12) months of retirement:

If a retired member seeks employment as an independent contractor or leased employee with a participating employer *within* twelve (12) months of his or her effective retirement date, both the member and participating employer must notify KRS by submitting the necessary forms.

## Reemployment Process:

It is important to note that this process has two components: (1) retired member requirements and (2) participating employer requirements.

1. The retired member is required to report this arrangement to KRS by submitting a [Form 6754](#), "Member Reemployment Certification."
2. The participating employer must also certify this arrangement by submitting a [Form 6752](#), "Employer Certification of Independent Contractor/Leased Employee" to KRS.
3. The participating employer may also have to submit a copy of the labor contract, the Request for Proposal, or any additional information as requested by KRS.

## Final Determination:

By law, KRS must issue a final determination regarding the member's reemployment status no later than thirty (30) days from receipt of the required form(s) and any additional information requested. The final determination letter will be mailed directly to the member at the last known address on file with KRS.

*Within three (3) calendar months* following the member's effective retirement date, if KRS determines the arrangement does not qualify as an independent contractor or leased employee relationship, the member's retirement benefits will be voided, and the member will be required to repay all retirement benefits because the member did not observe the appropriate break in service.

*After three (3) but within twelve (12) calendar months* following the member's effective retirement date, if KRS determines the arrangement does not qualify as an independent contractor or leased employee relationship and that a prearranged agreement existed between the member and the reemploying employer; then the member's retirement benefits will be voided, and the member will be required to repay all retirement benefits.



## Employer Reporting, Compliance & Education

### After twelve (12) months of retirement:

A retired member is not required to notify or seek a determination related to reemployment with a participating employer as an independent contractor or leased employee entered into *after* twelve months from their effective retirement date. However, regardless of when the retired member enters into an independent contractor or leased employee agreement with the participating employer, the participating employer must submit a copy of the contract or leased employee agreement to ERCE, in order for Kentucky Retirement Systems to determine whether the relationship between the retired member and participating employer constitutes an employment relationship under Internal Revenue Service guidance or whether the retired member is truly an independent contractor.

### Employer reporting of a reemployed independent contractor or leased employee:

If KRS determines the retiree meets the criteria of an independent contractor or leased employee, and a final determination has been issued in this regard, this retiree does not need to be submitted on the monthly retirement report.